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Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Secretary-General

Addendum

Summary

The present report provides the supplementary information requested by the Advisory Committee on Administrative and Budgetary Questions in its report of 19 November 1996 (A/51/681). In paragraph 9 of that report, the Advisory Committee requested the Secretary-General to submit a detailed explanation of the criteria used in the course of preparing and conducting the local salary survey carried out in the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

The present report also revises the cost estimates for UNMIBH for the period from 1 July 1997 to 30 June 1998 contained in document A/51/519/Add.1. Payment of hazard duty allowance was discontinued for Bosnia and Herzegovina effective 1 December 1996. As a result of this decision, the cost estimates for the budget period have been reduced by $6,989,400 gross ($6,989,400 net).

The actions to be taken by the General Assembly are set out in paragraph 10 and include (a) the appropriation of $165,597,600 gross ($157,522,200 net) for the maintenance of the Mission for the 12-month period from 1 July 1997 to 30 June 1998 and assessment at a monthly rate of $13,799,800 gross ($13,126,850 net), subject to the extension of the UNMIBH mandate by the Security Council beyond 21 December 1997, and (b) a decision that the special arrangements as regards article IV of the Financial Regulations of the United Nations, as detailed in section IV.E of document A/51/519/Add.1, be applied to UNMIBH.

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Contents

		Paragraphs	*Page*
I.	Introduction	1 - 2	3
II.	Criteria used in the course of preparing and conducting the local salary survey	3 - 8	3
III.	Changes to the cost estimates for the period from 1 July 1997 to 30 June 1998	9	4
IV.	Actions to be taken by the General Assembly at its fifty-first session	10	4

I. Introduction

1. The updated cost estimates of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1996 to 30 June 1997, which were contained in document A/51/519, included additional requirements for local salaries owing to a 70 per cent increase that had been approved following completion of a salary survey in the mission area. In paragraph 9 of its report of 19 November 1996 (A/51/681), the Advisory Committee on Administrative and Budgetary Questions requested the Secretary-General to submit to it for review a detailed explanation of the criteria used in the course of preparing and conducting the local salary survey that supported the 70 per cent increase for local staff salaries in UNMIBH effective 1 February 1996. The additional information requested by the Advisory Committee is provided in the present report.

2. The present report also revises the cost estimates for civilian staff for the period from 1 July 1997 to 30 June 1998 presented in document A/51/519/Add.1 to reflect the discontinuance of hazard duty pay effective 1 December 1996.

II. Criteria used in the course of preparing and conducting the local salary survey

3. The comprehensive survey undertaken in June 1996 in Sarajevo was conducted in accordance with the methodology promulgated in 1985 by the International Civil Service Commission (ICSC) on the basis of the Flemming principle.[1]

4. The fundamental principle underlying the setting of salaries and the determination of conditions of service for the General Service and Related Categories, at both Headquarters and non-Headquarters duty stations, is that they should be based on the best prevailing conditions of employment found locally for similar work. The purpose behind this principle is to ensure that the United Nations common system remains a competitive employer, with the ability to attract and retain locally recruited staff possessing the high standards set forth in the Charter of the United Nations. In practice, this means that the salaries and conditions of service of locally recruited United Nations staff in the General Service category are established by reference to those of the presumed best employers in the locality, without being the absolute best.

5. When conducting a salary survey, the United Nations analyses the pay packages of a number of employers from different sectors of the economy. The survey is based on 15 benchmark positions that represent the most typical and numerous jobs in an office of the United Nations or the specialized agencies outside Headquarters. These positions represent jobs at each of the seven salary levels and belong to the driver, secretarial and personnel- and finance-related occupations. Besides representing a reasonable cross-section of the economy, the retained comparator employers must have established salary structures and personnel systems, must employ a minimum number of staff and normally should have been established in the locality for several years. This ensures the reliability of the data retained and strengthens the survey as a whole. The survey carried out in Bosnia and Herzegovina included employers from Sarajevo and Mostar. Six employers were surveyed, namely, three embassies (the United Kingdom of Great Britain and Northern Ireland, Canada and the United States of America), one international organization (the European Union), one company from the private sector (the International Management Group) and one public sector company (the Narodna Banka). All employers surveyed have established personnel structures and have provided sufficient matches for analysis and retention.

[1] *Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 30* (A/39/30).

6. The 1996 Bosnia and Herzegovina survey was the first comprehensive salary survey for locally recruited staff ever conducted in Bosnia and Herzegovina. Previously, staff assigned to that duty station were paid in accordance with the Belgrade scale. When the Republic of Bosnia and Herzegovina proclaimed its independence on 1 March 1992, it was decided, as a temporary measure, to pay staff assigned to Sarajevo the equivalent of 80 per cent of the Belgrade scale pending the conduct of a comprehensive survey.

7. In 1995, salaries in Belgrade were increased by 40 per cent; however, no adjustments were made to the salary levels of locally recruited staff in Bosnia and Herzegovina in the expectation that a comprehensive survey would be conducted in late 1995/early 1996. A salary advance of 20 per cent was approved, however, with effect on 1 January 1996, to be recovered upon the completion of the survey.

8. Following completion of the survey in June 1996, a 70 per cent increase in net salaries was approved effective 1 February 1996. This increase was based on actual labour market data gathered in full compliance with the survey methodology described above.

III. Changes to the cost estimates for the period from 1 July 1997 to 30 June 1998

9. The cost of maintaining UNMIBH for the 12-month period from 1 July 1997 to 30 June 1998 was estimated at $172,587,000 gross ($164,511,600 net) in document A/51/519/Add.1 of 4 December 1996. Since then, hazard duty pay has been discontinued, effective 1 December 1996. As a result of this decision, the estimates for common staff costs have been reduced from $22,179,400 to $15,190,000, for a net decrease of $6,989,400. The overall cost estimates are therefore reduced from $172,587,000 gross ($164,511,600 net) to $165,597,600 gross ($157,522,200 net).

IV. Actions to be taken by the General Assembly at its fifty-first session

10. The actions to be taken by the General Assembly at its fifty-first session in connection with the financing of UNMIBH, including the United Nations Mission of Observers in Prevlaka, are the following:

(a) The appropriation of the amount of $165,597,600 gross ($157,522,200 net) for the maintenance of the mission for the 12-month period from 1 July 1997 to 30 June 1998 and assessment at a monthly rate of $13,799,800 gross ($13,126,850 net), subject to extension of the UNMIBH mandate by the Security Council beyond 21 December 1997;

(b) A decision that the special arrangements as regards article IV of the Financial Regulations of the United Nations, as detailed in paragraph 21 of document A/51/519/Add.1, be applied to UNMIBH.